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March 4, 2011

Kathleen Sebelius
Secretary
Department of Health and Human Services
Office of Consumer Information and Insurance Oversight
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Re: Planning and Establishment of Consumer Operated and Oriented Plan Program; Request for Comments Regarding Provisions of Consumer Operated and Oriented Plan Program (OCIIO-9983-NC)

Dear Secretary Sebelius:

The Medical Society of New Jersey (MSNJ) appreciates the opportunity to provide pre-proposal comments regarding the establishment of Consumer Operated and Oriented Plans as requested in the Federal Register of February 2, 2011.

MSNJ has reviewed the comments submitted by the American Medical Association in response to the above referenced request and adds our organization's support to those comments.

We write separately to relate our specific experiences in New Jersey as a principle partner in the Affiliated Physicians Multiple Employer Welfare Association, a non-profit health insurance plan.

Specifically our focused comments are in response to Questions (in section A) 1, 11 & 19 and (in section B) 1 & 2.

Introduction

New Jersey is a highly concentrated market for the purchase of health insurance with only a few major insurers offering plans in the commercial market. In addition there

have been few, if any new entrants into the health insurance market in the past decade. The potential development of non-profit Consumer Oriented and Operated Plans offers an opportunity to add competition and innovation in the NJ market for health insurance products.

MSNJ along with other physician and healthcare organizations comprise the Affiliated Physician's Multiple Employer Welfare Association (AP MEWA). We believe this non-profit, self funded plan operates in much the same manner as envisioned in the Affordable Care Act. A majority of the governing board is comprised of consumers of the plan, with a mix of physicians, legal, actuarial and insurance expertise rounding out the board members.

The plan is offered to members of the medical society, their office staff and family members as well as employees and family members of the other healthcare association stakeholders. MSNJ has five years of active participation and investment with the AP MEWA.

Section A

Specifically our focused comments are in response to questions 1, 11, and 19.

1. A State Medical Society or Healthcare organization with significant access to (or proven ability to form) a diverse network of physicians and allied healthcare providers should be a primary consideration. We would urge the Secretary to consider many forms and types of organizations both new and existing that 1.) become a new entrant into the market or 2.) be an existing non-profit co-op type plan that could expand into new markets.

11. In our metropolitan area many residents require a health plan to have networks in adjoining states. This is typical where people work and reside in different states. In New Jersey for example many residents work in Philadelphia or New York. Many prefer to have healthcare providers near their home and/or place of employment. For these reasons we believe the Secretary should consider the benefit of regional plans or coalitions of state organizations who can create co-op plans that can provide services on a regional basis, particularly in metropolitan areas.

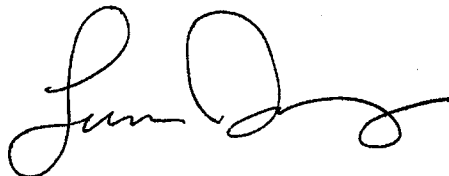
19. MSNJ has interest in developing a physician directed qualified non-profit plan. We are interested in developing a regional model to be offered in the Mid-Atlantic region including NJ, NY, CT and PA.

Section B

Specifically our focused comments are in response to questions 1 and 2.

1. The Secretary should look at the sufficiency of the integrated care model in context of the community based plan. For start up organizations, the Secretary should consider the ability of the applicant's plan to achieve integration. Many organizations will lack the capacity to contract in the initial stages of development.
2. Significant private support should include cash investment and non-cash investments such as network contributions in the case of IPA's. The term significant should be related to the community wealth and should be liberally construed in favor of the applicant so as to encourage new plans to form.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lawrence Downs".

Lawrence Downs, Esq.
General Counsel
Medical Society of New Jersey